



**DEPARTMENT OF MENTAL HEALTH
ST. LOUIS DEVELOPMENTAL DISABILITIES TREATMENT CENTERS**

**From The Office Of State Auditor
Claire McCaskill**

**Report No. 2002-119
December 20, 2002
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AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

December 2002

The following problems were discovered as a result of an audit conducted by our office of the Department of Mental Health, St. Louis Developmental Disabilities Treatment Centers.

St. Louis Developmental Disabilities Treatment Centers (SLDDTC) client monies, such as income and benefits, are either directly deposited or received by SLDDTC personnel and transmitted to the Bellefontaine Habilitation Center for deposit into a fiduciary checking account. All client transactions and balances are maintained on the Non-Appropriated Funds System (NAFS). Our audit noted the following concerns:

- Numerous client balances exceeded the maximum allowable balance which can jeopardize future client benefits.
- Inactive client accounts are not monitored or disposed of in a timely manner. More than \$7,000 was held in inactive client accounts.
- Some clients' balances were negative as a result of overspending. Expenditures for these clients were made using or borrowing other clients' monies.
- The oversight of client expenditures is inadequate. Personnel are allowed to withdraw monies, on behalf of clients, from the NAFS for clients' personal expenditures. However, SLDDTC policy requires personnel to deposit any unspent monies to the NAFS by the 10th day of the following month. We noted several instances where personnel did not adhere to this policy.

Furthermore, the NAFS contains numerous duplicative and obsolete SLDDTC facility funds. Aside from client monies, the NAFS includes facility funds such as commissions from vending, revenues from fund raisers, and other miscellaneous funds. There were more than 70 facility funds established for the SLDDTC, some of which were inactive, maintained for facilities or operations that no longer existed, or held monies that had not been disbursed in a timely manner.

Operating procedures for the canteens at some facilities were inadequate. Canteen receipts were not always deposited/transmitted intact on a timely basis. Also, some facility personnel did not maintain adequate records of canteen sales receipts. Therefore, we could not determine if sales agreed to the amount transmitted for deposit.

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YELLOW SHEET

The facilities do not adequately monitor canteen operations and related financial activity or results. For example, a report dated April 30, 2002, indicated a deficit balance in the St. Charles Habilitation Center canteen fund of \$1,907. Operating losses occur when sufficient revenue is not generated to cover the costs of items purchased for resale. Adequate monitoring is necessary to detect and correct problems contributing to operating losses. These problems could include an inadequate pricing system for items sold or changes to inventories as a result of activities other than sales.

The procedures and records relating to the SLDDTC revolving fund are inadequate. The Department of Mental Health (DMH) issued a policy in 1998, outlining procedures for the use and maintenance of an institutional fund. This fund was established at \$4,000 and is maintained by the SLDDTC Administrative Office. Our review noted the following concerns:

- Monthly bank reconciliations are not performed on the revolving fund.
- Accurate records of cash transactions are not maintained for revolving fund transactions.

Procedures for tracking employees' time worked and leave balances are inadequate and do not allow personnel to detect errors. Compensatory balances are not adequately monitored. A significant number of employees have been allowed to accrue compensatory leave in excess of the maximum allowed. A SLDDTC policy limits the combined accruals of holiday and compensatory time to 40 hours per employee. A review of a leave balance report for the year ended June 30, 2001, revealed that more than 270 employees' balances exceeded 40 hours. During June 2002, the DMH reduced employee compensatory and holiday leave balances by paying employees for leave balances in excess of 85 hours. However, the 85 hour balance still exceeds the accruals allowed by SLDDTC policy.

The SLDDTC has approximately 51 state-owned vehicles that are primarily used by the habilitation centers, community residences, and administration building personnel. These vehicles are used by employees for business travel and providing assistance to clients. We noted vehicle logs were not maintained for 20 percent of the vehicles reviewed. Additionally, 40 percent of the vehicles reviewed were driven less than 5,000 miles in a year. Low mileage can often indicate that a facility has too many vehicles or that a facility does not efficiently utilize vehicles. During the year ended June 30, 2002, the SLDDTC expended approximately \$24,600 to reimburse employees for instate mileage costs.

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DEPARTMENT OF MENTAL HEALTH
ST. LOUIS DEVELOPMENTAL DISABILITIES TREATMENT CENTERS

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STATE AUDITOR'S REPORT



CLAIRE C. McCASKILL
Missouri State Auditor

Honorable Bob Holden, Governor
and
Mental Health Commission
and
Dorn Shuffman, Director
Department of Mental Health
and
Ralph J. Sneed, Ph.D., Deputy Director
Field Services, Eastern District
and
Jerry Clubbs, Acting Superintendent
St. Louis Developmental Disabilities Treatment Centers
St. Louis, MO 63141

We have audited the Department of Mental Health, St. Louis Developmental Disabilities Treatment Centers. The scope of this audit included, but was not necessarily limited to, the years ended June 30, 2002 and 2001. The objectives of this audit were to:

1. Review certain management practices and financial information for compliance with applicable constitutional provisions, statutes, regulations, and administrative rules.
2. Review the efficiency and effectiveness of certain management practices.
3. Review certain expenditures made by the St. Louis Developmental Disabilities Treatment Centers.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed the facility's expenditures, rules, regulations, and other pertinent procedures and documents, and interviewed various personnel of the facility.

As part of our audit, we assessed the facility's management controls to the extent we determined necessary to evaluate the specific matters described above and not to provide assurance on those controls. With respect to management controls, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation.

Our audit was limited to the specific matters described above and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the facility's management and the Statewide Advantage for Missouri (SAM II) system and was not subjected to the procedures applied in the audit of the Department of Mental Health, St. Louis Disabilities Treatment Centers.

The Department of Mental Health Region XI is a consolidation of the St. Louis Regional Center, St. Louis Developmental Disabilities Treatment Centers, and the Bellefontaine Habilitation Center. The accompanying Management Advisory Report presents our findings arising from our audit of the St. Louis Developmental Disabilities Treatment Centers. An audit report was issued for the St. Louis Regional Center on June 3, 2002, and a separate audit report will be issued for the Bellefontaine Habilitation Center.



Claire McCaskill
State Auditor

June 30, 2002 (fieldwork completion date)

The following auditors participated in the preparation of this report:

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Audit Manager:	Debra S. Lewis, CPA
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MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

DEPARTMENT OF MENTAL HEALTH
 ST. LOUIS DEVELOPMENTAL DISABILITIES TREATMENT CENTERS
 MANAGEMENT ADVISORY REPORT-
 STATE AUDITOR'S FINDINGS

1.	Payroll and Personnel Procedures
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Procedures for tracking employees' time worked and leave balances are inadequate and do not allow personnel to detect errors. Employees are required to record their daily arrival and departure times on a weekly attendance sheet. In addition, employees are required to submit a time and attendance input record, or exception sheet, to the timekeeper when using annual, sick, or other types of leave. The timekeeper keys the exception information into the state's accounting system which updates employees' leave balances. If no exceptions are keyed, the system generates a regular payroll check for each employee. We noted the following concerns:

- A. Compensatory balances are not adequately monitored. A significant number of employees have been allowed to accrue compensatory leave in excess of the maximum allowed. A St. Louis Developmental Disabilities Treatment Center (SLDDTC) policy limits the combined accruals of holiday and compensatory time to 40 hours per employee. A review of a leave balance report for the year ended June 30, 2001, revealed that more than 270 employees' balances exceeded 40 hours.

Facility	Number of Employee Balances Exceeding 40 Hrs.	Total Employees	Percentage	Highest Balance (Hours)
Administrative Office	5	48	10%	173.50
Community Residences	53	83	64%	312.00
Midtown	39	132	30%	133.25
South County	59	186	32%	524.50
St. Charles	47	157	30%	312.00
Northwest	74	201	37%	340.50

During June 2002, Department of Mental Health (DMH) personnel made a decision to reduce employee compensatory and holiday leave balances of certain facilities, which included SLDDTC, due to the significant liability associated with the facility's balances. Employees received payment for the total amount of compensatory time accumulated and total accrued holiday time in excess of 85 hours. It appears employees are still allowed to carry leave balances in excess of what is allowed by SLDDTC policy since balances were only reduced to 85 hours. SLDDTC personnel should properly monitor leave balances for compliance with facility policy and to avoid increasing its liability to provide monetary compensation to employees upon termination.

- B. Leave balances are not always appropriately adjusted to reflect leave used. According to weekly attendance sheets, 8 of 30 employees (26 percent) reviewed either left early, arrived late, or used several days of leave; however, no exception sheets could be located for these employees and their leave balances had not been adjusted for the leave used. In addition, 3 employees' leave balances (10 percent) were incorrectly adjusted due to keying errors. For example, one employee's balance indicated the use of 15 minutes of leave, while an exception sheet indicated the employee actually used 8 hours. Also, timekeepers could not locate 4 of 30 weekly attendance sheets (13 percent) chosen for review. Nineteen of 30 attendance sheets (63 percent) reviewed were not signed by supervisors.

While there are six full-time employees performing timekeeping duties, these errors were not detected. An accurate accounting for employees' time and a supervisory review of this documentation is necessary to ensure compliance with leave policies and to ensure employees are paid correctly. In addition, retention of important employee documentation is necessary to ensure time worked is adequately supported.

WE RECOMMEND SLDDTC management:

- A. Monitor compensatory balances and appropriately reduce those employees balances exceeding the maximum.
- B. Require timekeepers to perform a documented comparison of weekly attendance sheets to exception sheets, supervisors to document their review of weekly attendance sheets, and personnel to maintain documentation of records of time worked. In addition, SLDDTC management should ensure that discrepancies noted in employees' leave balances are corrected.

AUDITEE'S RESPONSE

- A. *We concur. DDTC has implemented a policy to monitor leave balances to ensure balances do not exceed the maximum allowable hours.*
- B. *We concur. DDTC has implemented this recommendation.*

2. Non-Appropriated Funds System Procedures
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Client monies, such as income and benefits, are either directly deposited to the Bellefontaine Habilitation Center (BHC) or received by SLDDTC personnel and transmitted to the BHC for deposit into a fiduciary checking account. These monies are used to pay for such things as care, treatment, and personal items for SLDDTC clients. All client transactions and balances are maintained on the Non-Appropriated Funds System (NAFS). Our review of the SLDDTC responsibilities for the clients' monies noted:

A. There is no written policy or procedure for monitoring client balances. A review of a report of client balances dated April 30, 2002, revealed the following concerns:

- 1) Numerous client balances exceeded the maximum allowable balance which can jeopardize future client benefits. Personnel indicated that action should be taken to reduce balances when balances exceed \$750, because client benefits are jeopardized when the balance exceeds \$1,000. However, 43 of 258 client balances (17 percent) exceeded \$750. Of these, 21 accounts exceeded \$1,000. There was no documentation to support that any actions had been taken to reduce the client's balances.

SLDDTC personnel should develop policies and procedures to ensure client's balances are properly monitored and appropriate actions are taken to reduce those balances so that client benefits are not jeopardized.

- 2) Inactive client accounts are not monitored or disposed of in a timely manner. More than \$7,000 is held in inactive client accounts. Fifteen of 258 individual client accounts (6 percent) have been designated as inactive in the NAFS, indicating that benefits are no longer received on behalf of these clients. However, no actions have been taken to dispose of these accounts. The largest inactive account balance totaled more than \$1,400. An additional \$2,091 is held in a separate holding fund within the NAFS on behalf of other clients who are no longer at the SLDDTC. Personnel should investigate these accounts and determine the proper disposition of these monies.
- 3) Four clients' balances were negative as a result of overspending. Overspending occurs when accounts are not adequately monitored to ensure a sufficient balance exists before expenditures are made. As a result, expenditures for these clients were made using or borrowing other clients' monies. It is imperative that clients' balances and expenditures are closely monitored to ensure only a client's own funds are used for expenditures.

B. In some instances, the oversight of client expenditures is inadequate. Personnel are allowed to withdraw monies, on behalf of clients, from the NAFS for clients' personal expenditures. However, SLDDTC policy requires personnel to deposit any unspent monies to the NAFS by the 10th day of the following month. We noted the following instances where personnel did not adhere to this policy:

- 1) One client's unspent monies were never deposited to the client's account by personnel. Northwest Habilitation Center personnel requested \$300 on behalf of a client for household items; however, sales receipts submitted indicated total purchases of \$256. The NAFS records did not indicate a

deposit of the remaining \$44, and personnel could not explain the discrepancy.

- 2) Facility personnel held another client's unspent monies instead of depositing it to the NAFS in accordance with SLDDTC policy. South County Habilitation Center personnel requested \$600 to purchase clothing and bedroom items for a client. The first purchase was made April 24, 2001, and personnel continued to make purchases for the client through June 11, 2001, or one month after policy required the purchase to be completed and excess monies returned.
- 3) Checks were issued and held for several months before making a purchase for one client. Facility personnel requested four separate checks, totaling \$2,685, to purchase a specialized mattress system for the client. These checks were held at Midtown Habilitation Center for a period of five months before the purchase was made. Checks for client purchases should be issued to vendors and not held by facility personnel.

SLDDTC management has a fiduciary responsibility to ensure its clients' monies are requested, spent, and accounted for properly. Without proper oversight and compliance with established procedures, management cannot be assured that client monies are handled in a prudent and appropriate manner. Furthermore, discrepancies should be investigated promptly.

C. The NAFS contains numerous duplicative and obsolete SLDDTC facility funds. Aside from client monies, the NAFS includes facility funds such as commissions from vending, revenues from fund raisers, and other miscellaneous funds. There are more than 70 facility funds established for the SLDDTC. The following are examples of funds that are no longer needed:

- 1) There are seven separate funds to account for vending commissions. However, commissions are currently received from only one vending company.
- 2) Another fund is maintained for a client home that no longer exists. In addition, a Midtown Habilitation Center canteen fund is maintained; however, a canteen is no longer operated at this facility.
- 3) Restitution monies totaling \$1,286 are maintained in one fund and have not been disbursed. According to SLDDTC personnel, these monies were placed in the fund under a prior administration as restitution for property damage caused by a client at the Northwest Habilitation Center.

SLDDTC personnel should determine the need for each NAFS fund and combine or eliminate those funds which are not utilized. In addition, personnel should determine the proper disposition of those monies held in old inactive funds.

WE RECOMMEND SLDDTC management:

- A.1. Require monitoring of client balances on a monthly basis and ensure appropriate actions are taken to reduce the clients' balances when necessary.
- 2. Ensure each inactive account, as well as the total in the holding fund, is investigated to determine the proper disposition of the these monies.
- 3. Ensure expenditures are not made in excess of clients' balances.
- B. Ensure unspent monies are deposited back to client accounts as required by facility policy and investigate the missing client monies. In addition, SLDDTC management should ensure checks for client purchases are not held by facility personnel.
- C. Thoroughly review each fund in the NAFS to determine the necessity of each fund. SLDDTC management should combine funds where possible, delete obsolete funds, and determine the proper disposition of monies held in old inactive funds.

AUDITEE'S RESPONSE

- A. *We concur. DDTC has implemented a process to monitor client balances on a monthly basis and take appropriate action.*
- B. *We concur. DDTC has implemented these recommendations.*
- C. *We concur. Within the next three months, DDTC will review each NAFS fund and delete funds that are no longer necessary.*

3. Canteen Procedures

Operating procedures for the canteens at some facilities are inadequate. The South County, St. Charles, and Northwest Habilitation Centers have canteens which sell food, beverages, and other small items to clients and employees. Canteen receipts from the South County and Northwest Habilitation Center are transmitted to the BHC for deposit into the NAFS. Canteen receipts from the St. Charles Habilitation Center are deposited directly to the bank. We noted the following concerns:

- A. Canteen receipts are not deposited/transmitted to the BHC intact on a timely basis. In addition, adequate records of sales are not maintained or reconciled to receipts prior to depositing/transmitting the monies.

- 1) South County Habilitation Center records indicate that over a seven-month period, receipts were held an average of one month prior to transmitting to the BHC for deposit. In addition, the average deposit totaled \$525.

Also, on February 2, 2002, total cash on-hand totaled \$334, while records indicated total canteen sales of \$119. South County Habilitation Center personnel stated that the overage of \$215 was most likely an accumulation of overages over a long period of time, because personnel simply transmit an amount of cash equal to monthly sales recorded rather than reconciling the cash drawer; therefore, shortages or overages go undetected. Without adequate records, it cannot be determined if excess monies were received or if sales were not recorded.

- 2) St. Charles Habilitation Center personnel did not maintain adequate records of sales receipts. Therefore, we could not determine if sales agreed to the amount transmitted to the BHC for deposit. On March 13, 2002, cash-on-hand totaled \$569. St. Charles Habilitation Center records indicated monies were last transmitted to the BHC on December 12, 2001, or more than three months earlier.

In addition, personnel indicated that sometimes monies from the cash drawer are used to purchase additional items for the canteen. This procedure does not allow for a proper accounting of receipts.

To ensure receipts are accounted for properly, records of canteen sales should be maintained and reconciled to amounts deposited/transmitted. In addition, monies should be deposited/transmitted intact on a timely basis to reduce the risk of loss or misuse.

- B. The facilities do not adequately monitor operations and related financial activity or results. Our review noted that deficit balances exist in two of the canteen funds. A report dated April 30, 2002, indicated a deficit balance in the St. Charles Habilitation Center canteen fund of \$1,907. Also, the Northwest Habilitation Center canteen fund's deficit balance totaled \$197; this site's canteen was temporarily closed during April 2002 due to the losses it was incurring. Operating losses occur when sufficient revenue is not generated to cover the costs of items purchased for resale.

Deficit fund balances could indicate problems with the canteen operations. These problems could include an inadequate pricing system for items sold at the canteen or changes to inventories as a result of activities other than sales. To adequately monitor canteen operations and to reduce the risk of loss or misuse of funds, the facilities should determine the cost of goods sold and calculate the net profit or loss of the canteen. Any net losses or unusual fluctuations in net income should be investigated and any explanation documented.

WE RECOMMEND SLDDTC management:

- A. Require personnel to deposit/transmit canteen receipts intact to the BHC in a timely manner and maintain and reconcile records of sales to actual collections daily.
- B. Monitor canteen operations through periodic reviews of changes in inventory levels for the canteen and by calculating a cost of goods sold. All losses and any unusual fluctuations in performance levels should be fully investigated and any explanations documented.

AUDITEE'S RESPONSE

A&B. We concur. DDTC has implemented procedures to address these issues.

4.

Cash Procedures

- A. The procedures and records relating to the SLDDTC revolving fund are inadequate. The DMH issued a policy in 1998, outlining procedures for the use and maintenance of an institutional fund. This fund was established at \$4,000, and is maintained by the SLDDTC Administrative Office. These monies are available to all SLDDTC facilities to be used for miscellaneous or emergency purchases. A review of the fund noted the following concerns:

- 1) Monthly bank reconciliations are not performed on the revolving fund. Upon our request, a bank reconciliation was prepared for the month ended March 31, 2002. The reconciled bank balance totaled \$3,805, but the checkbook balance totaled \$4,132, indicating a shortage of \$327. It appears the custodian does not properly record all transactions, such as bank fees, in the checkbook.

To ensure a proper accounting of all revolving fund monies, monthly bank reconciliations should be performed and all discrepancies should be promptly investigated.

- 2) Accurate records of cash transactions are not maintained for revolving fund transactions. When unused portions of requested monies are returned, the custodian retains those monies to be used as petty cash. The custodian then adjusts the amount requested on the original request form. For example, an employee completed a withdrawal request for \$60 to take a client to an event. The employee apparently spent only \$5 of the requested monies and returned \$55 in cash. The custodian then crossed out the entry of \$60 on the request form and changed the requested amount to \$5.

This is not a proper way to account for cash transactions. The original request forms should not be altered. Instead, a cash log should be maintained to document all cash receipts and disbursements and the balance on hand. This log should be reconciled to the actual cash on hand on a periodic basis. Any excess petty cash should be returned to the revolving fund.

Since the revolving fund is maintained on an imprest basis, the sum of the reconciled bank balance, cash-on-hand, and reconciling items should total \$4,000, the fund's established amount, at any given time. Without monthly reconciliations and proper cash logs, SLDDTC management cannot be assured these monies are accounted for properly.

- B. SLDDTC operates several soda machines within its habilitation centers. Personnel and clients are responsible for replenishing the machines and one SLDDTC employee empties and deposits monies from the machines on a periodic basis.

An independent party does not periodically reconcile the amount of soda purchased and remaining in inventory with receipts from the sale of the soda. Failure to reconcile monies received to items sold could result in the loss or misuse of funds.

- C. Non-appropriated monies, totaling \$598, were stored in a locked cabinet at the South County Habilitation Center. These monies were not recorded, and personnel were not aware of the amount of monies held. According to personnel, these monies represented fund-raiser revenues, recycling revenues, and candy machine commissions. Personnel indicated some of these funds had been distributed to various program personnel throughout the facility and some had been used to purchase miscellaneous supplies.

SLDDTC policy requires non-appropriated monies to be deposited/transmitted to the BHC for deposit into the fiduciary checking account. Personnel should comply with SLDDTC policy to ensure these monies are accounted for properly. In addition, personnel should cease distributing and spending these funds in cash. All funds collected should be deposited to the NAFS and then disbursed through normal procedures as required by facility policy.

WE RECOMMEND SLDDTC management:

- A.1. Require monthly bank reconciliations be performed on the revolving fund; reconciliations should be performed by someone other than the custodian of the fund. In addition, SLDDTC management should investigate the apparent shortage in the fund.

2. Require personnel to maintain a cash log documenting all cash transactions and a balance. Also, SLDDTC management should ensure that the practice of changing entries on withdrawal requests is stopped immediately.
- B. Ensure independent reconciliations of soda machine monies received to sodas purchased and remaining in inventory are performed.
- C. Ensure all non-appropriated monies are deposited/transmitted to the BHC for deposit into the NAFS. In addition, SLDDTC management should ensure personnel properly record all monies prior to depositing/transmitting the monies to the BHC.

AUDITEE'S RESPONSE

- A. *We concur. DDTC has implemented these recommendations.*
- B. *We concur. DDTC staff will conduct routine reconciliations to account for the soda machine inventory and soda machine monies.*
- C. *We concur. DDTC has implemented procedures to address this finding.*

5. General Fixed Asset Policies and Procedures

- A. Adequate vehicles usage logs are not maintained for all state vehicles. Fifty-one vehicles are used by the habilitation centers, community residences, and administration building personnel. These vehicles are used by employees for business travel and providing assistance to clients. We noted the following concerns:
 - 1) Usage logs are not maintained for 3 of the 15 vehicles (20 percent) reviewed. Two of these vehicles are maintained by the Administrative Office, and the other is maintained by the South County Habilitation Center.

Of the remaining 12 vehicles reviewed, 5 usage logs were missing (Community Residences and St. Charles Habitation Center) and 3 were incomplete (Northwest and Midtown Habilitation Centers).

Vehicle logs are necessary to ensure state vehicles are properly used for business purposes.
 - 2) Some state vehicles are driven less than 5,000 miles in a year. Six of 15 vehicles (40 percent) reviewed were driven between 745 and 4884 miles in a year. These vehicles were maintained by the Administrative Office, South County and Midtown Habilitation Centers, and the Community

Residences. Low mileage can often indicate that a facility has too many vehicles or that a facility does not efficiently utilize vehicles. In addition, during the year ended June 30, 2002, the SLDDTC expended approximately \$24,600 to reimburse employees for instate mileage costs.

Based on this underutilization, it appears SLDDTC management should consider reducing the size of its vehicle fleet.

- B. The general fixed asset listing is incomplete and inaccurate. Currently, the listing is maintained by an employee at the BHC. We noted the following concerns:
- 1) Nine of 15 items (60 percent) reviewed could not be accounted for properly. Of the 9 items, 7 items were physically located within SLDDTC facilities but could not be found on the general fixed asset listing (Community Residences; St. Charles, South County, Midtown, and Northwest Habilitation Centers). The remaining 2 items were listed but could not be located at their assigned location (Community Residences and Northwest Habilitation Center).
 - 2) Physical inventories of general fixed assets are not performed at all facilities. State regulation 15 CSR 40-2.031 indicates that an annual physical inventory of all fixed assets should be performed and reconciled to the general fixed asset listing. Since May 2001, an employee at the BHC has been working on this process. However, physical inventories have still not been completed at the community residences or the administration building, and a reconciliation of the physical inventory to facility records has not been completed for the South County Habilitation Center.
 - 3) General fixed asset records do not properly indicate the date of acquisition. We noted that the recorded acquisition date represents the date the item was recorded in the computer system rather than the date the item was acquired.

Adequate general fixed asset records are necessary to secure better internal controls over property, provide a basis for determination of proper insurance coverage, and provide assurance to the public that assets purchased with taxpayer monies are properly utilized.

WE RECOMMEND SLDDTC management:

- A.1. Ensure vehicle usage logs are accurately completed and retained for all vehicles.
2. Evaluate the need for each vehicle and ensure each vehicle is effectively utilized.

- B.1. Ensure the general fixed asset listing includes accurate information for all SLDDTC assets.
2. Perform an annual physical inventory of assets in accordance with state regulations.
3. Ensure the actual acquisition date is included on the general fixed asset listing.

AUDITEE'S RESPONSE

- A. *We concur. DDTC will ensure logs are kept on all vehicles and evaluate vehicle usage to ensure vehicles are being used effectively.*
- B. *We concur. DDTC will maintain an accurate fixed asset listing with all required information and complete an annual physical inventory in accordance with state regulations.*

This report is intended for the information of the management of the St. Louis Developmental Disabilities Treatment Centers and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

DEPARTMENT OF MENTAL HEALTH
ST. LOUIS DEVELOPMENTAL DISABILITIES
TREATMENT CENTERS
HISTORY, ORGANIZATION, AND STATISTICAL INFORMATION

The St. Louis Developmental Disabilities Treatment Centers (SLDDTC) was established by the Department of Mental Health, on the grounds of the St. Louis State Hospital at 5400 Arsenal, in 1974. The facility was created for individuals who had potential to benefit from intensive medical and habilitation services. The SLDDTC mission is "working to develop partnerships that support opportunities, choices, and community membership", and it is committed to ensuring that people with developmental disabilities receive the services, supports, and opportunities necessary to empower them to achieve increased interdependency, productivity, inclusion, and participation in the community. The St. Louis Regional Center (SLRC) serves as the primary point of entry for SLDDTC services.

Today, the SLDDTC is composed of four habilitation centers, six community residences, and three independent supported living arrangement (ISLA) facilities, located throughout the city of St. Louis and St. Louis and St. Charles counties. The habilitation center sites are comprised of numerous homes clustered around a resource program center. The community residences and ISLA's are single family homes and apartments located in neighborhood settings. The administrative offices for the SLDDTC are located at 211 N. Lindbergh.

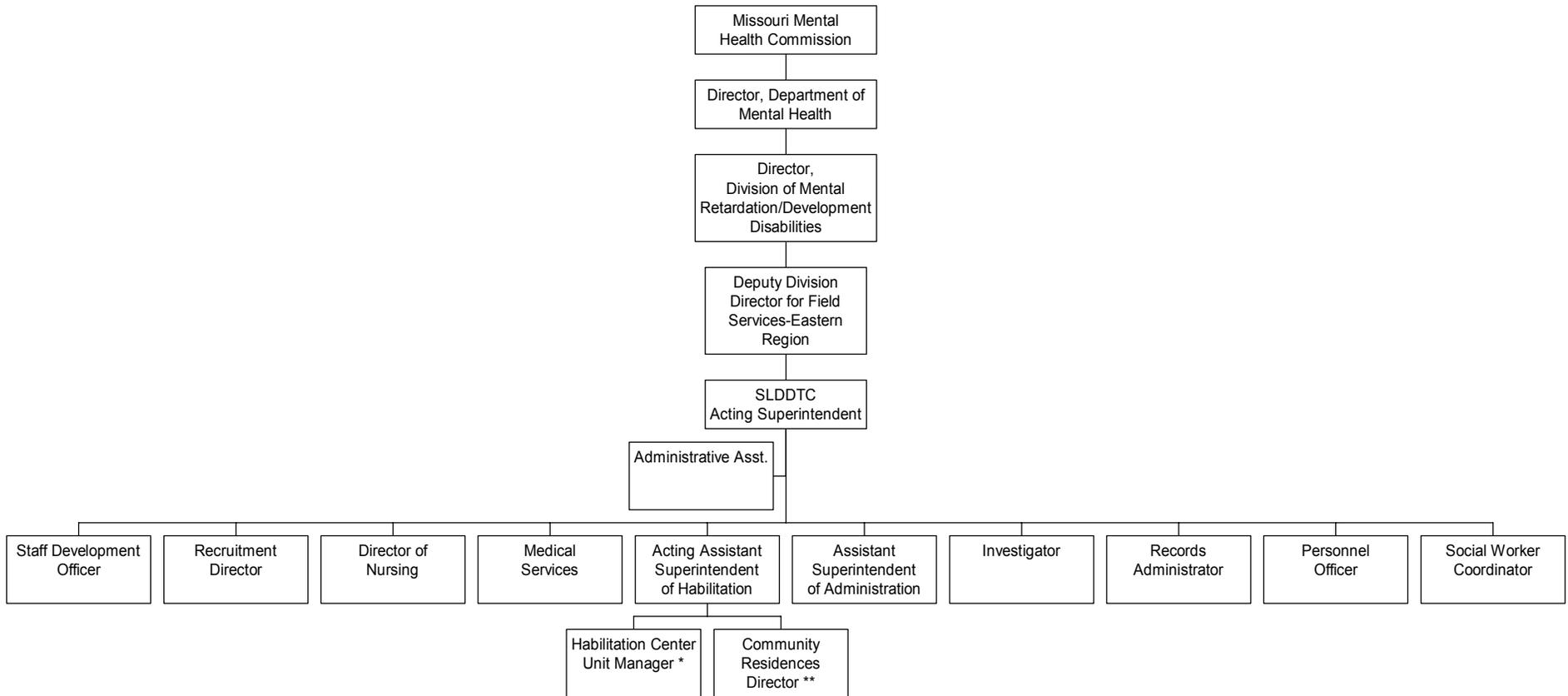
As of June 30, 2002, the SLDDTC housed approximately 277 clients within its facilities and employed approximately 807 personnel assigned to various administrative, service, and support sections.

The SLDDTC, SLRC, and Bellefontaine Habitation Center (BHC) make up the Department of Mental Health Region XI. The consolidation of these facilities was initiated in fiscal year 1989 to enhance efficiency among the data processing, accounting, and record keeping departments. This audit reports only on the management practices and operations of the SLDDTC. An audit report was issued on the SLRC on June 3, 2002, and a separate audit report will be issued on the management practices and operations of the BHC.

In December 2000, Dr. Ann Deaton became the Director of the Division of Mental Retardation and Developmental Disabilities. At June 30, 2002, Dr. Ralph J. Sneed serves as Deputy Division Director for Field Services, Eastern Region, and is responsible for supervising and coordinating operations for Region XI. Jerry Clubbs serves as the SLDDTC Acting Superintendent.

An organization chart and statistical data follow:

DEPARTMENT OF MENTAL HEALTH
 ST. LOUIS DEVELOPMENTAL DISABILITIES TREATMENT CENTERS
 ORGANIZATION CHART
 JUNE 30, 2002



* The habilitation centers are primarily organized in the same manner. Unit managers are responsible for overseeing operations at these facilities. Other positions include Executives, Unit Program Supervisors, Developmental Assistants, Clinical Social Workers, Registered Nurses, Physicians, Psychologists, Physical Therapists, Habilitation Specialists, Cooks, Dieticians, and Custodians.

** Positions at the community residences include Unit Program Supervisor, Executives, Developmental Assistants, Registered Nurses, and Habilitation Specialists.

DEPARTMENT OF MENTAL HEALTH
 ST. LOUIS DEVELOPMENTAL DISABILITIES TREATMENT CENTERS
 STATISTICAL DATA-NUMBER OF CLIENTS

	Year Ended June 30,	
	2002	2001
Habilitation Centers:		
South County	71	71
Midtown	30	41
St. Charles	55	48
Northwest	80	80
Total Clients	236	240
Community Residences:		
Bancroft	4	4
Longfellow	5	6
Greenbough	5	5
Ballwin	8	8
Manchester	8	8
Hazelwood	5	5
Total Clients	35	36
Independent Supported Living Arrangements:		
Ridge Point Crossing	2	2
Carrollton Garden	2	2
Hampton Garden *	2	2
Total Clients	6	6
Grand Total Clients	277	282

* Formerly Riverbend

Appendix A

DEPARTMENT OF MENTAL HEALTH
ST. LOUIS DEVELOPMENTAL DISABILITIES TREATMENT CENTERS
COMPARATIVE STATEMENT OF APPROPRIATIONS AND EXPENDITURES

	Year Ended June 30,					
	2002			2001		
	Appropriations	Expenditures	Lapsed Balances	Appropriations	Expenditures	Lapsed Balances
GENERAL REVENUE FUND - STATE						
Personal Service	\$ 14,989,223	14,514,597	474,626	16,282,847	16,253,424	29,423
Expense and Equipment	1,900,000	1,665,813	234,187	1,900,000	1,900,000	0
Personal Service and/or Expense and Equipment	1,665,469	1,663,551	1,918	0	0	0
Office of Administration, for maintenance, repairs, and improvements to facilities	30,222	7,049	23,173 ^A	0	0	0
Board of Public Buildings, for the operation and maintenance of SLDDTC improvements	84,861	82,648	2,213	84,861	84,861	0
Total General Revenue Fund - State	<u>18,669,775</u>	<u>17,933,658</u>	<u>736,117</u>	<u>18,267,708</u>	<u>18,238,285</u>	<u>29,423</u>
DEPARTMENT OF MENTAL HEALTH FUND						
Personal Service	675,906	674,984	922	492,984	396,482	96,502
Personal Service and/or Expense and Equipment	75,101	67,310	7,791	0	0	0
Total Department of Mental Health Fund	<u>751,007</u>	<u>742,294</u>	<u>8,713</u>	<u>492,984</u>	<u>396,482</u>	<u>96,502</u>
Total All Funds	<u>\$ 19,420,782</u>	<u>18,675,952</u>	<u>744,830</u>	<u>18,760,692</u>	<u>18,634,767</u>	<u>125,925</u>

Note: The appropriations presented above are used to account for and control the facility's expenditures from amounts appropriated to the facility by the General Assembly. The facility administers transactions from the appropriations presented above. However, the State Treasurer, as fund custodian, and the Office of Administration provide administrative control over the fund resources within the authority prescribed by the General Assembly. This schedule does not represent all expenditures of the facility. Some expenditures relating to state facilities are charged to department-wide appropriations and are not identified by facility. Expenditures charged to department-wide appropriations that are identified to St. Louis Developmental Disabilities Treatment Centers are noted in Appendix B.

^A Biennial appropriations setup in fiscal year 2002 are re-appropriated to fiscal year 2003. After the fiscal year-end processing has been completed, the unexpended fiscal year 2002 appropriation balance for a biennial appropriation is established in fiscal year 2003. Therefore, there is no lapsed balance for the biennial appropriation at the end of fiscal year 2002.

The lapsed balances for the year ended June 30, 2002, include the following withholdings made at the Governor's request:

Personal Service	\$ 445,400
Expense and Equipment	<u>229,548</u>
Total	<u>\$ 674,948</u>

Appendix B

DEPARTMENT OF MENTAL HEALTH
 ST. LOUIS DEVELOPMENTAL DISABILITIES TREATMENT CENTERS
 COMPARATIVE STATEMENT OF EXPENDITURES (FROM APPROPRIATIONS)

		Year Ended June 30,			
		2002		2001	
		Expenditures From Facility Appropriations	Expenditures From Department-Wide Appropriations For SLDDTC	Expenditures From Facility Appropriations	Expenditures From Department-Wide Appropriations For SLDDTC
Salaries and Wages	\$	16,841,043	506,240	16,649,906	1,032,687
Travel Expenditures		14,582	10,075	24,432	3,979
Fuel and Utilities		0	357,546	2,540	360,649
Communication Services and Supplies		55,627	29,571	81,225	16,431
Other Supplies		1,259,378	108,907	1,051,155	165,524
Professional Services		402,600	63,787	557,918	35,775
Maintenance and Repair Expenditures		24,195	1,197	134,162	6,127
Equipment Expenditures		44,839	9,976	88,204	4,810
Property and Improvements		13,342	140,078	4,302	113,302
Building and Equipment Lease Payments		3,957	0	15,796	0
Miscellaneous Expenditures	\$	16,389	0	25,127	4,137
Total Expenditures		<u>18,675,952</u>	<u>1,227,377</u>	<u>18,634,767</u>	<u>1,743,421</u>

Appendix C

DEPARTMENT OF MENTAL HEALTH
 ST. LOUIS DEVELOPMENTAL DISABILITIES TREATMENT CENTERS
 COMPARATIVE STATEMENT OF CLIENT RECEIPTS, DISBURSEMENTS,
 AND CASH BALANCES (FROM NON-APPROPRIATED FUNDS)

		Year Ended June 30,	
		2002	2001
CASH BALANCE, JULY 1	\$	136,201	187,234
RECEIPTS		1,451,179	1,421,274
DISBURSEMENTS		<u>1,346,636</u>	<u>1,472,307</u>
CASH BALANCE, JUNE 30	\$	<u><u>240,744</u></u>	<u><u>136,201</u></u>

Note: The receipts and disbursements presented in this schedule include client benefits as well as vending, canteen, client payroll, and other facility monies.

Appendix D

DEPARTMENT OF MENTAL HEALTH
 ST. LOUIS DEVELOPMENTAL DISABILITIES TREATMENT CENTERS
 COMPARATIVE STATEMENT OF MENTAL HEALTH TRUST FUND RECEIPTS,
 DISBURSEMENTS, AND CASH BALANCES (FROM NON-APPROPRIATED FUNDS)

		Year Ended June 30,	
		2002	2001
CASH BALANCE, JULY 1	\$	20,499	18,264
RECEIPTS		11,414	2,801
DISBURSEMENTS		281	616
CASH BALANCE, JUNE 30	\$	<u>31,582</u>	<u>20,449</u>

Note: The receipts and disbursements presented in this schedule include fundraiser, donated, and client work program monies.

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